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21 August 1953

MEMORANDUM FOR: Deputy Director (Intelligence)

SUBJECT: FPB Transfer

PROBLEM:

To present all the alternatives available to the Agency with respect to the CIA/State agreement on the transfer of FPB.

THE ALTERNATIVES:

- 1) To approve the actions recommended in the OCD Staff Study of 11 August 1953 to the PRC.
- 2) To amend the 11 August Staff Study by recommending 15 positions for OCD, rather than 18, and no funds, the positions and money saved to come from reducing budget allocations for the purchase of books and periodicals from domestic sources from \$160,000 to \$90,000. This reduction represents the dollar cost of the personnel requested for CIA administration of FPB and would reduce the procurement work requirements in the Library to the extent of three people.
- 3) Obtain the 15 extra people, in the event that the cut-back in Alternative (2) in book procurement is approved (or the 18 required in the event it is not approved) entirely from the DD/I Offices in proportion to their use of the Library services (or the DD/I, DD/P, DD/A, DTR, and AD/Commo Offices on the same basis).
- 4) Obtain either the 15 or the 18 positions, depending on the decision with reference to the \$70,000 cut-back in Alternative (2) from the Director's fund of slots.
- 5) To decide that none of the foregoing are acceptable and inform the State Department that, for budgetary and personnel reasons, we cannot consummate the agreement.

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DISCUSSION OF ALTERNATIVE 2:

1. The Agency today has a budget allocation of \$160,000 for the purchase of books and periodicals from domestic sources. The basis on which this figure has been arrived at is by (a) examination of past expenditures by office, plus, (b) a modification of this figure on the basis of Library experience in the handling of books purchased both for the Library and individual offices' needs, and (c) estimates of the Agency offices. Except on demand by offices having specialized needs for a number of copies (e.g., 300 copies of a book for the Training Office, or the specialized needs of DD/P), the Library normally buys only one copy of a book and purchases additional copies as experience indicates the demand.
2. The existence of a large number of researchers, trainees and DD/P personnel ipso facto creates a set of demands on the Library. One way to reduce the demands for Library services and books is to reduce the number of people who require use of the Library. The Library has no control over this problem.
3. Short of such reduction in personnel who use the Library, and lacking criteria for budgeting other than those of No. 1 above, it would appear that an arbitrary decision might be made to substantially cut back on the funds for book purchases.
4. At Tab A is a volume, percentage and dollar estimate of purchases of books by Office. Matched with it is this year's budget allocation within which to make its purchases. At Tab B is a statement of some of the titles of U.S. newspapers procured by the Agency on the basis of Office request, with the dollar figure.
5. We recommend an arbitrary reduction on the total figure of 50% with an office allocation of this reduction or the remainder to follow later.
6. These proposed reductions in book and magazine purchases, while resulting in a dollar saving to the Agency in the amount of approximately the cost of the staff to serve FPB, do not have any material effect upon the labor required to service the new proposed budget over the old.

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7. The Offices concerned were questioned on this proposal 21 August and were, without exception, opposed.

JAMES Q. REBER
Assistant Director
Intelligence Coordination

OIC/JQR:br (20 August 1953)